

**REMARKS/ARGUMENTS**

With entry of the present Preliminary Amendment, claims 1-52 are pending in the present case. Claim 31 has been amended to replace the phrase “a lipid formulation in accordance with claim 1” with the lipid formulation recited in claim 1. As amended, claim 31 recites, in part, “administering to the eye of said mammal a lipid formulation, said lipid formulation comprising: a lipid phase, said lipid phase comprising a neutral lipid and a member selected from the group consisting of cationic lipids and mucoadhesive compounds; an aqueous phase; and a therapeutic agent, wherein said therapeutic agent in said lipid formulation is useful for treating said ophthalmic disorder. Support for the amendment to claim 31 can be found in the specification and claim 1 as originally filed and, thus, no new matter has been introduced.

In addition, as set forth above, in response to the Restriction Requirement, Applicants elect, with traverse, to prosecute the claims of Group II, , claims 31-50, drawn to methods for treating or preventing ophthalmic disorders and to methods for treating or preventing ocular inflammation. This election is made with traverse as examination of the subject matter recited in the claims of Groups I and II would not place a substantially greater burden on the Examiner. Accordingly, Applicants respectfully request the Examiner to withdraw the Restriction Requirement and to consider claims 1-52 together in the present case.

**CONCLUSION**

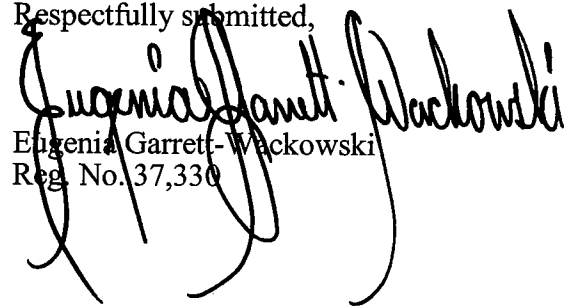
In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Appl. No. 10/713,787  
Response dated March 1, 2007  
Reply to Rest. Req. of February 1, 2007

PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 925-472-5000.

Respectfully submitted,

  
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